

## Message Text

UNCLASSIFIED

PAGE 01 JIDDA 04866 131236Z

55

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00 PA-02

USIA-15 PRS-01 SP-02 /045 W

----- 122488

R 131200Z JUL 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5284

INFO USDOC WASHDC

USDA WASHDC

UNCLAS JIDDA 4866

E.O. 11652: N/A

TAGS: EGEN, SA

SUBJECT: SAUDI FOOD SUPPLY COMPANY CREATED

1. ENGLISH LANGUAGE DAILY "ARAB NEWS" REPORTED JULY 13 THAT THE COUNCIL OF MINISTERS, IN AN EFFORT TO STEM SPIRALLING FOOD COSTS, HAS DECREED THE FORMATION OF "THE SAUDI FOOD SUPPLY COMPANY" TO PROVIDE FOOD AT BOTH WHOLESALE AND RETAIL LEVEL AT COST.

2. DECREE, AS TRANSLATED BY "ARAB NEWS" FOLLOWS:

QUOTE: THE ROYAL DECREE STATES:

A. IN ACCORDANCE WITH THIS DECREE, A COMPANY SHALL BE SET UP NAMED THE SAUDI FOOD SUPPLIES COMPANY BASED IN RIYADH WITH TWO BRANCHES IN JEDDAH AND DAMMAM, AND SHALL BE ENTITLED TO OPEN MORE BRANCHES IN VARIOUS CITIES IN THE KINGDOM.

B. THE AIM BEHIND THE ESTABLISHMENT OF THE COMPANY IS WHOLESALE AND RETAIL TRADING IN FOOD SUPPLIES AND OTHER CONSUMER GOODS TO BE SET BY ITS BOARD, TO SUPPLY CONSUMERS WITH THESE MATERIALS AT MINIMUM COSTS POSSIBLE.

C. THE COMPANY SHALL DEAL IN ALL ACTIVITIES REQUIRED TO ATTAIN ITS SET OBJECTIVES.

D. THE COMPANY SHALL BE RUN BY A BOARD CONSISTING OF NO LESS THAN FIVE MEMBERS AND NOT EXCEEDING NINE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JIDDA 04866 131236Z

INCLUDING BOARD CHAIRMAN. THESE MEMBERS SHALL BE

APPOINTED BY A DECREE BY THE COUNCIL OF MINISTERS AT THE COMMERCE MINISTER'S SUGGESTION.

E. THE CAPITAL OF THE COMPANY TOTALS SR1,000 MILLION AND IS WHOLLY PAID BY THE GOVERNMENT, AND IS TO BE INCREASED IF THE COUNCIL OF MINISTERS DEEMS IT NECESSARY. WITHDRAWALS FROM THE CAPITAL SHALL BE MADE THROUGH A RESOLUTION BY THE COMPANY'S BOARD.

F. THE MINISTER OF COMMERCE SHALL PUBLISH THE COMPANY'S STATUTE IN VIEW OF THE GENERAL RULES INCLUDED IN THIS DECREE.

G. THIS DECREE SHALL BECOME EFFECTIVE AS FROM THE DATE OF ITS PUBLICATION. UNQUOTE.

3. COMMENTS: IT IS TOO EARLY TO GAUGE REPERCUSSIONS TO THIS MEASURE FROM THE MERCHANTS IN SAUDI ARABIA DEALING IN FOODSTUFFS. IT IS LIKELY THAT THE MEASURE WILL FACE SILENT, IF NOT VOCAL, OPPOSITION FROM LARGE SAUDI FIRMS, MANY OF WHICH BEGAN THEIR MERCANTILE CAREERS IN FOOD SUPPLY. SINCE NO DATE IS MENTIONED FOR THE FORMATION OF THE COMPANY, THE ANNOUNCEMENT MAY BE IN THE NATURE OF A THREAT TO ENCOURAGE MERCHANTS TO LOWER OR STABILIZE PRICES.  
PORTER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ESTABLISHMENT OF OFFICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976JIDDA04866  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760269-0920  
**From:** JIDDA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760765/aaaaceyj.tel  
**Line Count:** 84  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** schaeafaj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 APR 2004 by ThomasVJ>; APPROVED <23 SEP 2004 by schaeafaj>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SAUDI FOOD SUPPLY COMPANY CREATED  
**TAGS:** EGEN, SA, SAUDI FOOD SUPPLY CO  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006